

AMENDED IN ASSEMBLY MARCH 26, 2007

AMENDED IN ASSEMBLY MARCH 5, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 111**

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**Introduced by Assembly Member Blakeslee**  
*(Coauthors: Assembly Members Arambula, Beall, Cook, Galgiani,  
Horton, Portantino, and Ruskin)*

January 8, 2007

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An act to amend Sections 69750, 69750.3, 69751.2, and 69751.5 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 111, as amended, Blakeslee. National Guard Assumption Program of Loans for Education.

Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, under the administration of the Student Aid Commission, to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia. Existing law conditions eligibility for loan assumption on the applicant having received or being approved to receive a loan under specified loan programs in order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program. Persons who otherwise qualify for participation in the program are eligible to receive up to \$11,000 in loan assumption payments. Existing law provides that, in any fiscal year in which the commission determines that funding is insufficient to fully support the program, the commission

shall, to the extent feasible, grant applicants who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program, and individuals who have been called to full-time active military duty, priority for participation in the program. Existing law makes the program inoperative on July 1, 2007, and repeals it on January 1, 2008.

This bill would change the date on which the program becomes inoperative to July 1, 2010, and would change the date on which the program is repealed to January 1, 2011, thereby extending the existence of the program by 3 years.

The bill would delete a condition for eligibility for loan assumption that the applicant be enrolled in an institution of higher education or a vocational diploma program that participates in the loan assumption program. The bill would provide that only applicants who receive or are approved to receive specified subsidized student ~~loan programs~~ *loans* in order to meet the costs associated with enrolling in or obtaining a degree or a certificate from an accredited institution of higher education or a state-approved institution of higher education, are eligible for loan assumption.

The bill would provide that applicants who are financially needy, as indicated by the receipt of a federally subsidized student loan, as defined, by that individual rather than as indicated by the household income and asset level of that individual, have priority for participation in the program in a fiscal year when the commission determines that funding is insufficient to fully support the program.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 69750 of the Education Code is amended
- 2 to read:
- 3 69750. Commencing with the 2004–05 fiscal year, the National
- 4 Guard Assumption Program of Loans for Education is established
- 5 to provide an incentive for persons to enlist or reenlist in the
- 6 National Guard, the State Military Reserve, or the Naval Militia
- 7 within the meaning of Section 66025.6 who seek, or who have
- 8 completed, degrees *or certificates* at institutions of higher education

1 within this state if the student is *or was* qualified for participation  
2 in the Federal Family Education Loan Program (20 U.S.C. Sec.  
3 1071 et seq.), the William D. Ford Federal Direct Loan Program  
4 (20 U.S.C. Sec. 1087a et seq.), or any loan program approved by  
5 the Student Aid Commission for this purpose.

6 SEC. 2. Section 69750.3 of the Education Code is amended to  
7 read:

8 69750.3. (a) A person who meets both of the following  
9 conditions is eligible to enter into an agreement for loan  
10 assumption, to be redeemed pursuant to Section 69750.5:

11 (1) The applicant agrees to enlist, or reenlist, in the National  
12 Guard, the State Military Reserve, or the Naval Militia.

13 (2) In order to meet the costs associated with enrolling in or  
14 obtaining a degree or a certificate from an accredited institution  
15 of higher education or a state-approved institution of higher  
16 education, the applicant has received, or is approved to receive, a  
17 subsidized loan under one or more of the following designated  
18 loan programs:

19 (A) The Federal Family Education Loan Program (20 U.S.C.  
20 Sec. 1071 et seq.).

21 (B) The William D. Ford Federal Direct Loan Program (20  
22 U.S.C. Sec. 1087a et seq.).

23 (C) Any loan program approved by the Student Aid  
24 Commission.

25 (b) A person participating in the program pursuant to this article  
26 is not eligible to enter into more than one agreement under this  
27 article.

28 SEC. 3. Section 69751.2 of the Education Code is amended to  
29 read:

30 69751.2. In any fiscal year in which the commission determines  
31 that funding for this article is insufficient to fully support this  
32 program, the commission shall, to the extent feasible, grant the  
33 following applicants priority for participation in the program:

34 (a) Individuals who are financially needy, as indicated by the  
35 receipt of a federally subsidized loan by that individual among the  
36 loans referenced under paragraph (2) of subdivision (a) of Section  
37 69750.3. As used in this subdivision, “federally subsidized student  
38 loan” means a loan that the commission identifies as a loan  
39 awarded pursuant to a federal program for which a determination  
40 of financial need was made by the awarding institution.

1 (b) Individuals who have been called to full-time active military  
2 duty.

3 SEC. 4. Section 69751.5 of the Education Code is amended to  
4 read:

5 69751.5. This article shall become inoperative on July 1, 2010,  
6 and, as of January 1, 2011, is repealed, unless a later enacted statute  
7 that is enacted before January 1, 2011, deletes or extends the date  
8 on which it becomes inoperative and is repealed.

9 SEC. 5. This act is an urgency statute necessary for the  
10 immediate preservation of the public peace, health, or safety within  
11 the meaning of Article IV of the Constitution and shall go into  
12 immediate effect. The facts constituting the necessity are:

13 In order to extend the operation of the National Guard  
14 Assumption Program of Loans for Education until July 1, 2010,  
15 it is necessary that this act take effect immediately.